## Message Text

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**ACTION EUR-12** 

INFO OCT-01 NEA-06 ISO-00 AEC-05 AID-05 CEA-01 CIAE-00

CIEP-01 COME-00 DODE-00 EB-04 FEAE-00 FPC-01 H-01

INR-05 INT-05 L-01 NSAE-00 NSC-05 OMB-01 PM-03 RSC-01

SAM-01 OES-02 SP-02 SS-15 STR-01 TRSE-00 FRB-01

AGR-05 LAB-01 PA-01 TAR-01 USIA-06 PRS-01 SWF-01

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FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC 7719

INFO AMEMBASSY BONN

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AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY TEHRAN PRIORITY

AMEMBASSY THE HAGUE

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TEHRAN FOR THE SECRETARY'S PARTY

E.O. 11652: N/A

TAGS: ENRG, ETRD, GW, IR, EEC

SUBJECT: GERMAN-IRANIAN REFINERY PROJECT; PREFERENTIAL AGREEMENT FOR

IRAN

REF: A) STATE 230852 B) BONN 17049 C) EC BRUSSELS 7836 D) EC BRUSSELS

7429, DECEMBER 21, 1973 (NOTAL) E) EC BRUSSELS 8129 (NOTAL)

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F) EC BRUSSELS 7443, DECEMBER 21, 1973 (NOTAL)

G) EC BRUSSELS 8137 (NOTAL)

1. RE PARA 7 REFTEL B, AMBASSADOR GREENWALD HAS DISCUSSED THE IRANIAN PROBLEM WITH EC COMMISSIONER GUNDELACH. GUNDELACH'S POSITION IS THAT THE DANISH PROPOSAL FOR A FREE-TRADE AREA IS INCONSISTENT WITH THE GATT AND UNACCEPTABLE IN TERMSOF THE COMMISSION DECLARATION THAT THERE WOULD BE NO FURTHER GEOGRAPHIC EXTENSION OF PREFERENTIAL ARRANTEMENTS. HE HAS TOLD THIS TO THE DANES DIRECTLY AND MADE THE SAME POINT IN HIS CONVERSATIONS WITH OTHER MEMBER STATES. INCLUDING THE FRG. AT THE SAME TIME, GUNDELACH FEELS STRONGLY THAT IT MAKES NO SENSE TO HAVE AGREEMENTS WITH PRACTICALLY EVERY OTHER COUNTRY IN THE WORLD AND NOT IRAN. THEREFORE, HE HAS URGED WITHIN THE COMMISSION THAT THE IRANIAN ISSUE BE DISCUSSED, AND THAT VARIOUS POSSIBILITES THEN BE TAKEN UP WITH THE USG. THE KIND OF SOLUTION GUNDELACH ENVISAGES WOULD BE ALONG THE LINES OF THE NON' PREFERENTIAL ARRANGMENTS WITH INDIA, BRAZIL, ETC., WHICH INCLUDE SPECIAL TARIFF CONCESSIONS ON AN MFN BASIS OR WITHIN THE GENERALIZED PREFERENCE SCHEME PLUS PROVISIONS REGARDING ECONOMIC AND INDUSTRIAL COOPERATION.

2. WITH RESPECT TO THE CHARTER OF AGREEMENTS CURRENTLY IN FORCE BETWEEN THE EC AND CERTAIN OTHER COUNTRIES (PARA 6, REFTEL B), THE MISSION PROVIDES THE FOLLOWING ADDITIONAL BACKGROUND:

A. THE AGREEMENT SIGNED BETWEEN THE EC AND BRAZIL ON
19 DECEMBER 1973 IS A NON-PREFERENTIAL TRADE AGREEMENT PROVIDING
FOR MFN TREATEMENT IN THEIR TRADE RELATIONS (REFTEL D). IT HAS NO
PREFERENTIAL TRADE PROVISIONS AND IS THE THIRD SUCH AGREEMENT BETWEEN THE EC AND A LATIN AMERICAN COUNTRY (THE OTHER TWO ARE
ARGENTINA AND URUGUAY). MEXICO HAS ALSO APPROACHED THE COMMISSION
WITH A VIEW TO NEGOTIATING A NON-PREFERENTIAL COOPERATION AGREEMENT
(REFTEL E).

B. THE EC SIGNED A NON-PREFERENTIAL COMMERCIAL COOPERATION AGREEMENT WITH INDIA ON 17 DECEMBER 1973 (REFTEL F). IT CONTAINS NO PREFERENTIAL TRADE PROVISIONS AND IS THE MODEL FOR THE AGREEMENTS WHICH ARE EXPECTED TO BE SIGNED EVENTUALLY BETWEEN THE EC AND PAKISTAN, BANGLADESH AND SRI LANKA (REFTEL G). GREENWALD

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## Message Attributes

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**Current Classification: UNCLASSIFIED** 

Concepts: PETROLEUM PRODUCTS, IMPORTS, POLICIES, PREFERENTIAL TARIFFS, REFINERIES

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To: STATE

Type: TE

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